



Connecticut Department of  
**ENERGY &  
ENVIRONMENTAL  
PROTECTION**

**STATE OF CONNECTICUT  
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION**

Public Hearing – March 18, 2013  
Planning and Development Committee

Testimony Submitted by Commissioner Daniel C. Esty  
Presented By Deputy Commissioner Macky McCleary

**Raised Senate Bill No. 1111 – AN ACT CONCERNING RATE INCREASES BY WATER POLLUTION CONTROL AUTHORITIES RECEIVING STATE GRANTS FOR WATER POLLUTION CONTROL PROJECTS.**

Thank you for the opportunity to present testimony regarding Raised Senate Bill No. 1111 – An Act Concerning Rate Increases by Water Pollution Control Authorities Receiving State Grants for Water Pollution Control Projects. The Department of Energy and Environmental Protection (DEEP) offers the following testimony.

DEEP has concerns that this bill that could unnecessarily complicate the process of adjusting rates (called user charges) for wastewater treatment. DEEP does not support the proposed bill for the reasons detailed below.

The proposed bill would modify a section of the statutes related to a Water Pollution Control Authority's (WPCA's) authority to set user charge rates. It would require a WPCA in the town owning a sewerage system that serves other municipalities to get the approval of the chief elected officials of upstream municipalities served by that system before revising user charges.

At the present time, virtually all of the municipal sewer systems in the state of Connecticut have, at one time or another, received funding through the 26 year history of the Clean Water Fund, which includes both grants and loans. Since the bill has no backward-looking time limit, it therefore covers all sewered communities in the state.

The Clean Water Fund regulations, Section 22a-482-3(e) of the Regulations of Connecticut State Agencies, currently require that municipalities set rates at a sufficient level to operate and maintain the sewerage system in such a manner as to protect human health and the environment. It also requires that communities tributary to such a system must adopt a user charge system consistent with the provider of the conveyance or treatment services. The WPCA is therefore constrained by the Clean Water Fund regulations in terms of what costs must be recovered through the user charge system. Guidance documents published by DEEP serve to further clarify that surpluses must be carried over to

the following fiscal year to defray costs, while deficits must be recouped through future year costs increases.

This requirement to adequately fund the operation and maintenance of the sewerage system is also contained in each of the municipal wastewater discharge permits, issued by the Department under delegated authority from the US Environmental Protection Agency.

It is noted that the Chief Elected Officials (CEOs) in the town revising the rates may not have approval authority over those rates, if the WPCA is acting within its authority by statute. Giving the CEOs in other towns such authority may be considered inappropriate. In addition, the statutory authority for dealing with such rates is arguably the WPCAs in each town, not the CEOs.

In conclusion, it is DEEP's position that the current regulatory framework, in conjunction with inter-municipal agreements for wastewater conveyance and treatment, provides adequate fiscal controls on user charge rate setting, and that no additional statutory or regulatory supplement is needed.

Thank you for the opportunity to present testimony on this proposal. If you should require any additional information, please contact DEEP's legislative liaison Robert LaFrance at (860) 424-3401 or [Robert.LaFrance@ct.gov](mailto:Robert.LaFrance@ct.gov).